

ORIGINAL

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December 2, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

BY HAND

Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, SW -- Room TW-A325
Washington, D.C. 20554

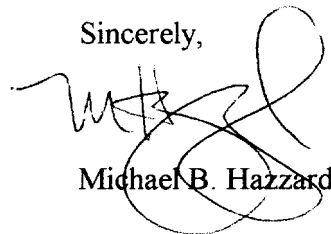
Re: CC Docket No. 99-295

Dear Ms. Salas:

On December 1, 1999, Robert A. Curtis of Z-Tel Communications, Inc. and Ruth Milkman and Michael Hazzard of Lawler, Metzger, and Milkman, LLC, counsel to Z-Tel, met with Commissioner Furchtgott-Roth and Helgi Walker, Legal Advisor to Commissioner Furchtgott-Roth, to discuss Z-Tel's views on certain issues pending before the Commission in the above-referenced proceeding, including the need to develop a 60-day performance metric for the provision of unbundled local switching through the Network Design Request process. Z-Tel's position on issues under consideration in this proceeding are explained in its comments in the above-referenced proceeding and the enclosed document.

Pursuant to section 1.1206(b)(1) of the Commission's rules, 47 C.F.R. §1.1206(b)(1), an original and one copy of this letter and enclosure are being provided to you for inclusion in the public record of each of the above-referenced proceedings.

Sincerely,



Michael B. Hazzard

Enclosure

cc: Commissioner Furchtgott-Roth
Helgi Walker

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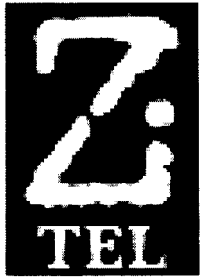


Z-Tel Communications

FCC Ex Parte

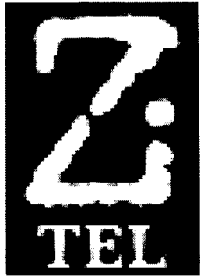
December 1, 1999

Docket 99-295



Overview

- Generally Satisfied with New York PSCs Framework
- Specific Facets of Bell Atlantic's Implementation Continue to Operate as an Impermissible Barrier to Entry
- On 11/22 had a Very Productive Meeting with Bell Atlantic
 - As a Result, Appear to be Working Hard on Many of our OSS Issues
 - However, Hard Work and Good Faith are not Part of the Checklist
- Bell Atlantic's 271 Application Should be Denied Until these Deficiencies are Resolved



Z-Tel Primer

- Z-Tel is an Integrated Communications Provider Focused on the Residential Mass Market
- Z-Tel has Invested over \$30 Million in 18 Months in Software Development Adding Value to End Users
- Z-Tel Delivers Value to End Users through Innovative Manipulation of the Local and Long Distance Networks
- Z-Tel uses UNEP as an Entrance Strategy to Achieve Economies of Scale in the Residential Market
- Our Operations are Currently Focused in New York City
- Between June, 1999 and October 13, 1999, Z-Tel Provisioned Approximately 11,000 Residential Lines in LATA 132
- In Mid-November, 1999, Z-Tel Filed its S-1A with the SEC



Z-Tel's Residential Service Offering In New York

Compare

- Complete Home Phone Service
- Flat-Rate Local Phone Service
- Long Distance Calling
- Caller ID, Call Forwarding, Call Waiting, Speed Calling, 3-Way Calling
- Voice Mail (Web or Phone)
- "Follow Me" Service
- Web Command & Control Center
- Group Messaging

Total Cost

Z-Tel	Bell Atlantic
Included	N/A
Included	\$20.16
200 Mins. Incl.	\$26.00*
All Included	\$21.26
Included	N/A
Included	N/A
Included	N/A
Included	N/A
\$49.99	\$80.41

*Bell Atlantic presently does not provide long distance service in New York. This cost estimate is based on national long distance carrier products. Individual customer bills may vary depending on calling patterns.



The PSC Framework is Designed to Foster Residential Competition

- UNEs and Interconnection Available through Tariff
 - UNEP Enables Mass Market Entry
 - Customization of Line Class Codes Ensures Vibrant Local Switching UNE
 - Ensures Variety of Local Products/Services via Customization
 - Incentivizes Variety by Incorporating Customization into Local Switching Rate
 - Meets Requirements for Competitive OS/DA
 - Robust AIN Offering Essential to Innovative Competition



Bell Atlantic Falls Short of the Ideals of the PSC Framework

- Incomplete Commitment to Unbundled Local Switching
- Deficient OSS



Bell Atlantic's Unbundled Switching Provisioning Process Acts as a Barrier to Competitive Entry

- Bell Atlantic Gives CLECs Two Choices

Full Switching

- Enables Innovation & Product Differentiation
- Full Access to Features & Functions of Switch
- Takes 6 Months

Standard Switching

- Mimics Bell's Products
- Ties CLEC to Bell's OS/DA
- Hampers Innovation
- Takes 1 Month

- Full Switching Required for Checklist Compliance
- No Migration Path from Standard to Full Exists
- Forces False Choice between Time to Market & Innovation – Bell Completed NYC NDR in 8 Weeks



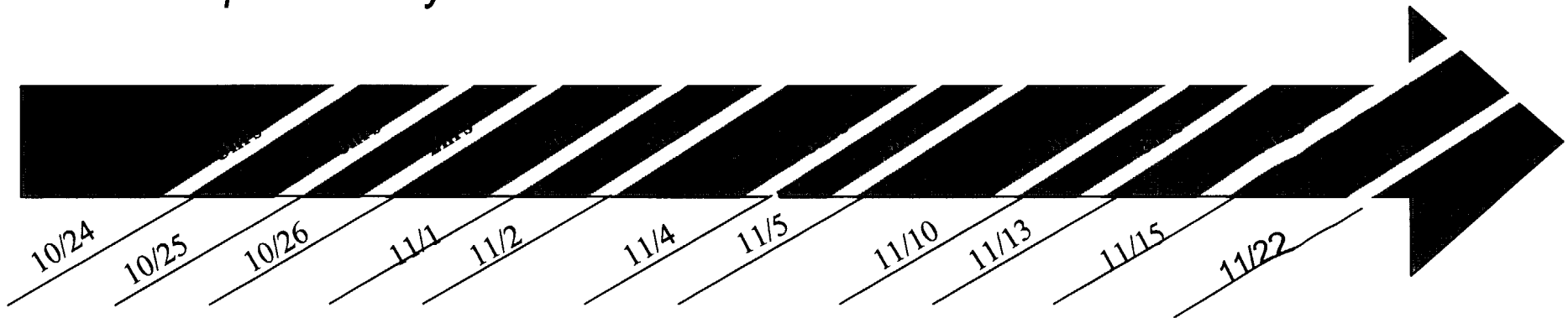
OSS Performance Impairs Competition

- Inadequate WEB GUI Availability
 - Frequently Unavailable
 - When Available, Often Prohibitively Slow
- Serious Provisioning Problems Exist



Recent BA GUI Outages

Outages and response-time delays are reducing Z-Tel's productivity and cash flow.



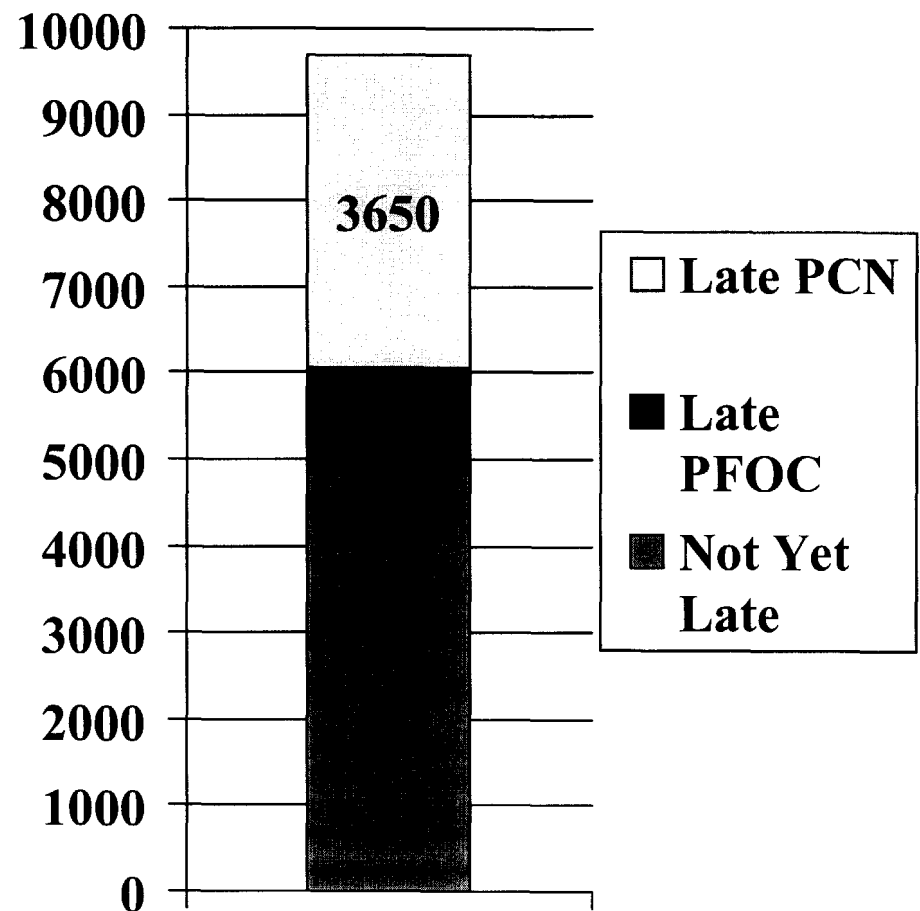
59 Hours of Bell Atlantic Outages since 10/24 **and Counting...**

☐ GUI Outages



Provisioning Backlog is Crippling

- 9705 Orders Pending in BA Provisioning Process
- Over 50% of Total are at Least 5 Days LATE
 - **Many are Months Late**
 - 12.5% are Late Pending FOC
 - 37.5% are Late Pending Completion





Evidence Points to Serious OSS Flaw

- Frequent and Prolonged GUI Outages
- Inability to Timely Provision 50% of Orders
- ***Conclusion: Major System Flaw***



Bell Atlantic's Good Faith Efforts do not Satisfy the Checklist

- Bell Atlantic Appears to have been Diligently Working to Resolve these Problems, and should be Commended for their Continuing Effort
- Bell Atlantic Claims that *Some* Late Orders are Due to Z-Tel Error
- Z-Tel Firmly Believes its Data is Substantially Accurate, but if Bell Atlantic is Able to Demonstrate Otherwise, will Notify the Commission



Requested Action

- Establish New York Procedures as National Roadmap
- Require Bell Atlantic to Remedy Deficiencies
 - Establish 60 Day Interval for Completion of Full Unbundled Switching Option
 - Require Development of a “No Impact” Procedure for Migrating Subscribers from “Option B” to “Option A” Line Class Codes
 - Require Factual Evidence Demonstrating OSS Compliance
- Do Not Pre-Approve AIN Offering